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C O N F I D E N T I A L SECTION 01 OF 03 TEGUCIGALPA 000580

SIPDIS

WHA/CEN

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TAGS: [PGOV](#) [KDEM](#) [PREL](#) [HO](#)

SUBJECT: AMBASSADOR URGES RECONCILIATION TO NATIONAL PARTY
LEADERS

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Classified By: Ambassador Hugo Llorens, reasons 1.4 (B & D)

11. (C) Summary: The Ambassador strongly urged Honduran National Party Leaders Ricardo Alvarez and Maria Antonieta Belgran to support the Arias process to reach a negotiated agreement for the restitution of ousted President Manuel Zelaya. The Ambassador noted the President's and Secretary's support for the Arias process and highlighted that Zelaya was a severely weakened political figure and his return would be accompanied by international monitoring by the OAS and the United States. The failure of a negotiated solution could lead to international isolation beyond the November elections and disastrous economic consequences. The Ambassador's interlocutors worried about the prospect of longer international isolation but relayed numerous concerns about the credibility of the judiciary, the unpredictability of the military, Zelaya's erratic personality and the potential for foreign intervention by regional leftist governments. End Summary.

The Ambassador urges national reconciliation

12. (C) The Ambassador met July 10 with National Party President and Tegucigalpa Mayor Ricardo Alvarez and National Party first alternate Maria Antonieta Belgran. Both interlocutors are influential in their own right and have informal communication channels they can utilize to convey messages to the Micheletti regime. Both have expressed their reluctance to support the return of President Zelaya.

13. (C) The Ambassador highlighted the United States' strong support for the success of the Arias process to reach a negotiated agreement for the restitution of President Manuel Zelaya. He noted that both the President and the Secretary support the process and have strongly urged that the constitutional and democratic order be restored. Any return of Zelaya would be accompanied by ironclad guarantees that would prevent any further attempts by either side to tamper

with the constitution.

14. (C) The Ambassador pointed out that numerous options could be considered to prevent Zelaya from further threatening the constitutional order. These included: establishing a national unity government from all parties, early elections, and moving civilian authority over the armed forces from the presidency to the Supreme Electoral Court (Tribunal Superior Electoral), as occurs constitutionally prior to presidential elections. As all sides committed errors during the current crisis, political amnesty could be considered and a truth commission established to investigate the events leading to the coup. Any solution would preserve the constitution in its current form and ensure Zelaya did not attempt to extend his term. The United States and the international community would guarantee the agreement.

15. (C) The Ambassador explained that the consequences of the failure of the Arias process and of a national reconciliation prior to the November elections would be disastrous. The U.S. government recognizes the events of June 28 as a coup d'etat and supports all OAS resolutions to date. International assistance is already drying up and the United States would be forced to severely curtail assistance - a difficult measure since Honduras has historically been a strong ally. South American leftists would be emboldened and would use Zelaya as a martyr to garner supporters in Honduras and around the region.

16. (C) Since Honduras' membership in the OAS has been suspended, OAS observers would not be able to participate in upcoming elections. Power would then transition from an illegitimate regime via elections that could not be internationally verified. Enemies of the Micheletti regime

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such as Venezuela and Nicaragua could block re-entry of Honduras into the Inter-American system after the elections leaving Honduras isolated for years to come. Isolated and without international assistance, investors would look elsewhere and economic, political and social progress in Honduras would reverse.

Interlocutors wary but agree to carry forward message

17. (C) The Ambassador's message that international isolation could continue beyond the November elections resonated with both Alvarez and Belgran. Both appeared not to have seriously considered that possibility previously.

18. (C) Alvarez freely admitted his distaste for Zelaya, noting that he had stiffed his municipality nearly 300 million lempira (USD 15 million) during his administration and his cronies had carted off cash from the Central Bank. He worried that Zelaya was closely allied with Chavez and was so unpredictable that it may be impossible to contain him if he returns. "Zelaya could join the 'terrorist alliance' with Venezuela, Nicaragua, Ecuador, Iran, continental China and others and not worry about isolation from the rest of the international community." Alvarez noted that he saw 60 Ecuadorian and Nicaraguans enter the country and worried that Zelaya was conspiring with Nicaragua, Venezuela and Ecuador to launch a guerilla campaign in Honduras if he wasn't restored to power. Nevertheless, Alvarez said, he would convey the message to the Micheletti regime and do whatever he could to support a peaceful resolution to the crisis.

19. (C) Belgran, while worried about the consequences, was less convinced an acceptable solution could be reached during the Arias process. The best solution was for Zelaya to remain out of the country and if he did return, he must only be empowered with protocol duties and for all practical purposes be a "decoration." However, given his unpredictable personality, this would be extremely difficult. Further

complicating matters, Zelaya is equated to Chavez in Honduras and his return would be met with great fear by Hondurans that reject Chavismo. Polls conducted June 6 by the National Party indicate that Hondurans are evenly divided over whether Zelaya should return (Alvarez interjected that fifty percent of Hondurans may want him to return, but many of those want him to be tried once back in Honduras). Judicial credibility is at a nadir and the Honduran armed forces, emboldened by their recent foray into politics, were unpredictable. In all, Belgran said, the current political environment was "too hot" to bring Zelaya back.

¶10. (C) If his return were to be considered at all, Belgran went on, the "fourth urn" was an obvious impossibility and Zelaya should agree to renounce Honduran membership in ALBA and agree to an audit of his financial dealings. Even so, an international peacekeeping force should be considered to ensure the maintenance of the constitutional order through the transition to a new and democratically elected government.

¶11. (C) Comment: The National Party has much to gain politically from letting their Liberal Party opponents suffer the fallout from the coup (Micheletti and Zelaya are both from the Liberal Party). Combine this with their almost pathological fear of a Zelaya return, Alvarez and Bogran were lukewarm at best about the possibility of a successful negotiation. However, the Ambassador's clear explication of the consequences of the negotiations' failure seemed to reach them, as they realized that any president, even a National, elected without a return of the legitimate government would be tainted. They also had not considered the possibility of the extended isolation of Honduras, which would be both economically and personally painful. Post is confident that they will faithfully carry the Ambassador's strong message

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supporting a negotiated solution, and the consequences of failing to do so, to National Party presidential candidate Pepe Lobo, and to their contacts within the de facto regime.
LLORENS